INLAND EMPIRE, CA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.9%	$2,285	30.2%
UP 40 BPS YOY	UP 3.5% YOY	UP 30 BPS YOY

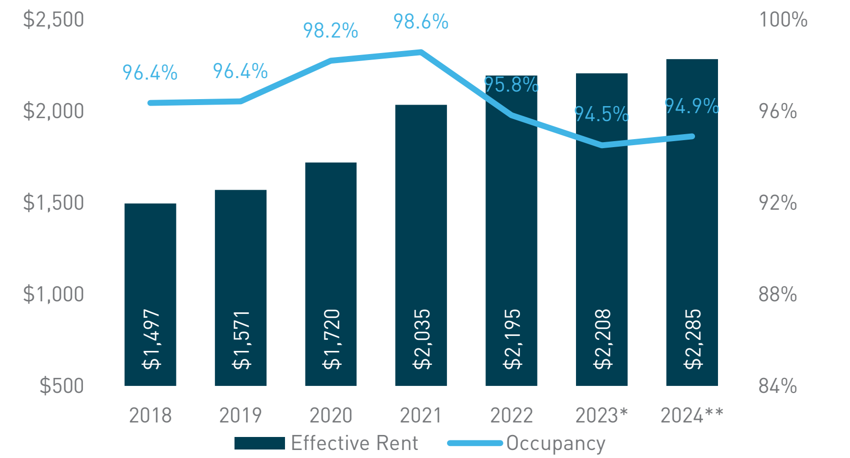
Vigorous Apartment Demand Expected to Eclipse Wave of Deliveries in 2024

The Inland Empire will continue to be the destination for households leaving the coastal counties in the Southland to find more affordable housing. Net migration is forecast to total over 18,600 new residents in 2024. The influx of population will help fuel the formation of 19,270 estimated households in the two-county metro area this year. The projected 12,683 single-family and 4,830 multifamily completions in 2024 will fall short of anticipated household formation. Approximately 42% of multifamily deliveries this year will emerge in the Ontario/Chino and Temecula/Murrieta submarkets. Eleven apartment communities with a combined total of 3,065 units—some which began lease-up in 2022—will reach completion in the Ontario/Chino and Temecula/Murrieta submarkets. Developers tend to favor adding new apartment inventory to these two submarkets because of their proximity to employment hubs in Los Angeles, Orange, and San Diego counties. Household formation in the Inland Empire will drive apartment demand, resulting in the projected net absorption of 5,358 apartment units metrowide this year. The heightened leasing activity will outpace anticipated deliveries, spurring a 40-basis-point annual increase in occupancy to 94.9% in the fourth quarter. During the same period, average monthly effective rent is forecast to rise 3.5% to $2,285. The two lowest-rent submarkets in the metro area—San Bernardino and Victorville/Outer San Bernardino—are expected to have the greatest rate of rent appreciation in 2024.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

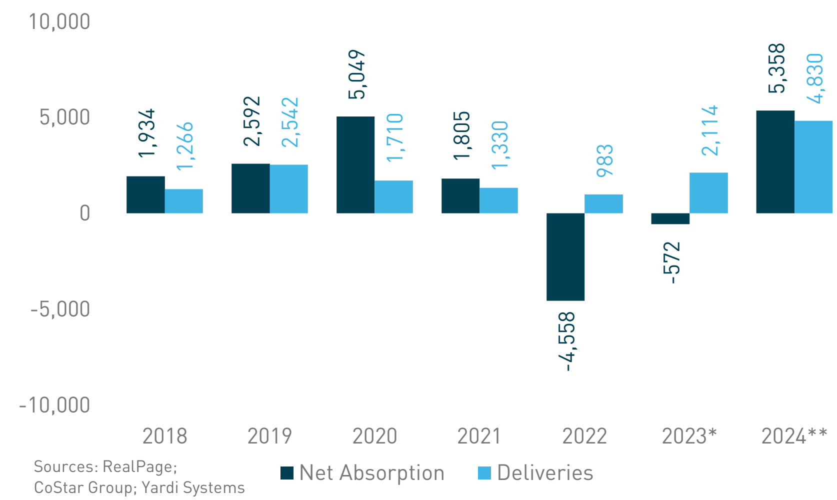


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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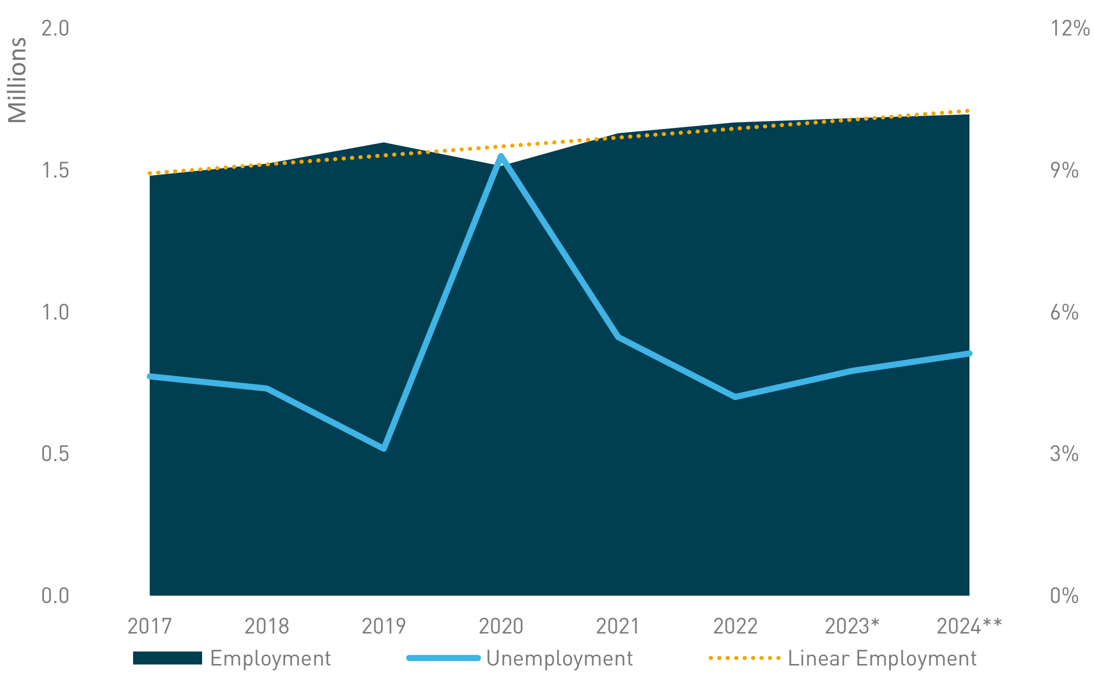
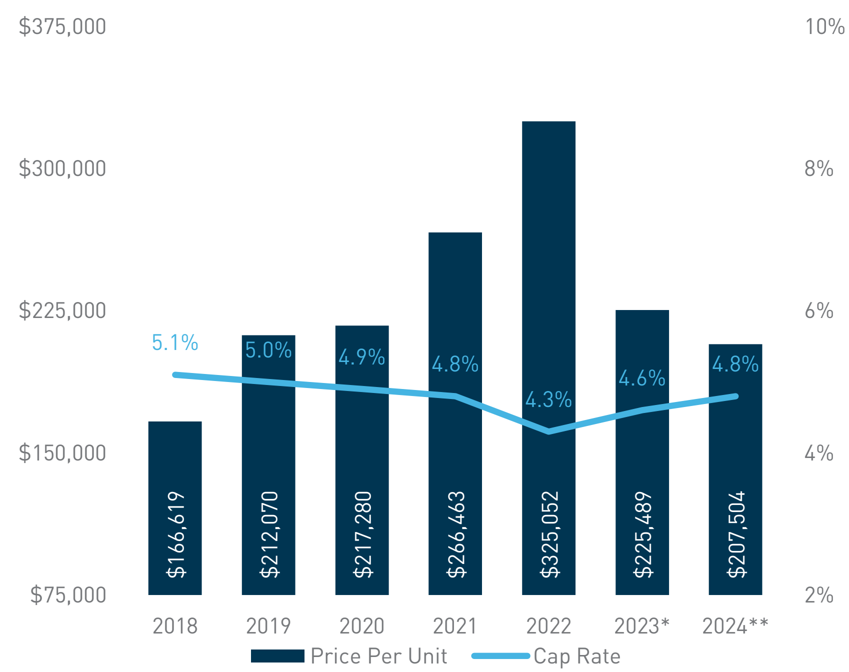
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,697,000	5.1%	$90,689	$207,504	4.8%
UP 0.8% YOY	UP 30 BPS YOY	UP 2.3% YOY	DOWN 8.0% YOY	UP 20 BPS YOY